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HOUSE JOINT MEMORIAL 86

46TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2003

INTRODUCED BY

Max Coll

A JOINT MEMORIAL

**REQUESTING THE STATE AUDITOR TO STUDY THE NEED FOR STRICTER
CONFLICT OF INTEREST STANDARDS FOR PUBLIC ACCOUNTANTS.**

WHEREAS, recent public accountancy scandals have highlighted the dangers that exist and the corruption that can result when certified public accountants and auditors have multiple and conflicting business relationships with their clients; and

WHEREAS, stockholders and the general public must be able to rely upon the statements and reports of certified public accountants and auditors to be honest, unvarnished reports of a corporation's financial affairs; and

WHEREAS, corporate corruption aided and abetted by certified public accountants and auditors costs not only individual stockholders millions of dollars, but also

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1 governmental investors such as the state of New Mexico that
2 invest taxpayer dollars; and

3 WHEREAS, such corruption further weakens the public's
4 faith in its governmental and corporate institutions; and

5 WHEREAS, New Mexico law currently prohibits certain
6 practices by certified public accountants, but might benefit
7 from a review to determine if other practices should be
8 prohibited;

9 NOW, THEREFORE, BE IT RESOLVED BY THE LEGISLATURE OF THE
10 STATE OF NEW MEXICO that the state auditor, with the assistance
11 of the performance audit staff of the legislative finance
12 committee, the New Mexico public accountancy board and the New
13 Mexico society of public accountants, be requested to study the
14 current ethical and conflict of interest standards for New
15 Mexico's certified public accountants and the need, if any, to
16 revise those standards and report his findings and
17 recommendations, if any, to the second session of the forty-
18 sixth legislature; and

19 BE IT FURTHER RESOLVED that copies of this memorial be
20 transmitted to the state auditor, the director of the
21 legislative finance committee, the New Mexico public
22 accountancy board and the New Mexico society of certified
23 public accountants.